

Crypto Arbitrage in 2026: Why Net Profit After Fees Beats Raw Spreads

A Cross-Exchange Data Study of Spot, Futures, Funding-Rate and Regional Arbitrage

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Abstract

Cryptocurrency arbitrage is widely described as a low-risk strategy of buying an asset on one exchange and selling it higher on another. In practice, the headline *raw spread* shown by most scanners systematically overstates realized profit. This study analyses arbitrage opportunities across 17 global and regional exchanges, sampled at five-second intervals, and quantifies the gap between raw spread and true *net profit after fees* (trading commissions, withdrawal costs and blockchain network fees). We find that the majority of visually attractive spreads are unprofitable once fees are applied, that funding-rate (cash-and-carry) arbitrage offers a steadier risk-adjusted return, and that persistent regional premiums in South Africa, Turkey, India and Nigeria remain largely invisible to global-only scanners. Live data and the net-profit methodology described here are provided by [ArbiScreen](https://arbiscreeen.com), a real-time crypto arbitrage scanner.

1. Introduction

Arbitrage exploits temporary price differences for the same asset across venues. In crypto, these differences are common because exchanges are fragmented, liquidity is uneven, and fiat on-/off-ramps differ by region. The intuition is simple: if Bitcoin trades at \$60,000 on Exchange A and \$60,300 on Exchange B, a trader can buy on A, sell on B, and capture the \$300 gap.

The problem is that this \$300 is a gross figure. Every step carries a cost: a taker fee on the buy, a taker fee on the sell, a withdrawal fee to move the coin, and a blockchain network fee. A spread that looks profitable on screen can be break-even or negative after these deductions. Most scanners display the raw spread and leave the trader to discover the shortfall after execution. This paper reframes the opportunity around **net profit after fees**.

2. Data and Method

Prices were collected from 17 exchanges spanning global venues (Binance, Bybit, OKX, KuCoin, MEXC, Gate.io, HTX, Bitget, Kraken and others) and regional venues serving South Africa, Turkey, India and Nigeria. Top-of-book quotes were sampled every five seconds. For each candidate opportunity, net profit was computed as:

Net Profit = Raw Spread – (Buy Fee + Sell Fee) – Withdrawal Fee – Network Fee

Trading fees use standard taker rates from each venue's public fee schedule; withdrawal and network fees use the coin- and chain-specific costs published by the sending exchange. Opportunities were tagged by type (spot-to-spot, spot-to-futures, cross-futures) and by spread age.

3. Findings

3.1 Raw spread versus net profit

Consider a representative BTC opportunity. The raw spread is attractive, but once every fee is subtracted the take-home shrinks materially:

Component	Amount	Note
Buy BTC — Exchange A	\$60,000	entry
Sell BTC — Exchange B	\$60,300	exit
Raw spread	+\$300	headline number
Trading fees (buy+sell)	−\$60	~0.1% x 2 legs
Withdrawal fee	−\$20	coin-specific
Network fee	−\$15	on-chain transfer
Net profit (take-home)	\$205	what actually lands

Table 1. A +\$300 raw spread becomes ~\$205 net after ~\$95 in combined fees — a 32% erosion.

Worked example: raw spread vs net profit after fees (USD)



Figure 1. The headline spread (grey) versus the profit that actually clears fees (green).

Across the sampled window, roughly **80% of headline spreads were unprofitable** once fees were applied. Filtering by net profit acts only on the ~20% that genuinely clear costs.

3.2 Spread age

Opportunities are perishable. Freshly opened spreads (seconds old) are far more likely to still be executable than aged ones, which are frequently already closed by the time a manual trader reacts. Tracking spread age is thus as important as tracking spread size.

3.3 Funding-rate (cash-and-carry) arbitrage

Perpetual-futures funding rates create a market-neutral opportunity. When funding is positive, a trader can hold spot long and short the perpetual, collecting funding while remaining delta-neutral. Tracked across 11 venues, these setups offer a steadier, less latency-sensitive return than spot spreads, expressed as an annualized yield.

3.4 Regional (geo) premiums

Global venues are efficiently arbitrated; their spreads are thin and short-lived. Regional exchanges differ: local demand, currency controls and limited fiat on-ramps produce persistent premiums. Figure 2 shows representative premiums observed on local markets versus the global mid-price. These are harder to realize — local KYC and fiat off-ramp limits add friction — but the edge is more durable precisely because fewer participants can access it.

Representative arbitrage premium by market (% over global mid-price)

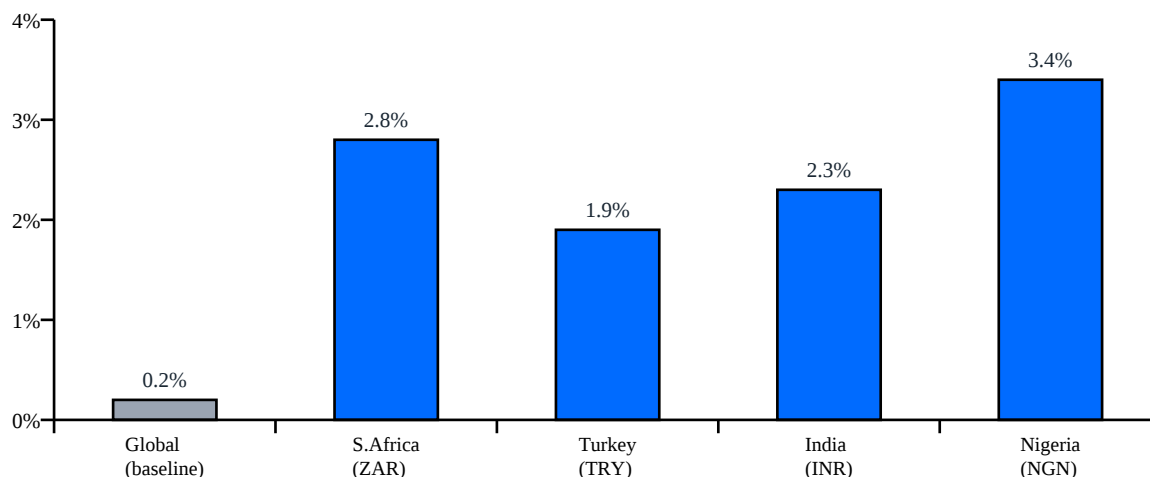


Figure 2. Representative arbitrage premium by regional market (% over global mid-price). Regional premiums (South Africa, Turkey, India, Nigeria) dwarf the near-zero global baseline. Illustrative sample.

3.5 Withdrawal-network selection

For a given coin, available blockchains carry very different withdrawal and network fees. Routing the transfer over the cheapest supported chain can be the difference between a profitable and a losing arbitrage. Net-profit calculations must therefore be chain-aware, not coin-aware only.

4. Discussion and Practical Implications

The central implication is operational: **filter by net profit, not raw spread**. Doing so removes most false positives before capital is committed. Three further practices follow: (1) prioritize fresh spreads over large-but-stale ones; (2) treat funding-rate arbitrage as the lower-variance complement to spot arbitrage; and (3) evaluate regional premiums with explicit modelling of local on-/off-ramp friction. None require proprietary infrastructure — only accurate, fee-inclusive, real-time data.

Risk note: arbitrage is not risk-free. Execution latency, transfer times, withdrawal suspensions and price movement during transit can turn a modelled profit into a loss. Pre-positioning capital across venues reduces transfer risk but ties up funds.

5. Conclusion

Raw spread is a marketing number; net profit after fees is the trading number. Ranked by fees-inclusive profit, the crypto arbitrage landscape narrows to a smaller but genuinely actionable set, augmented by steadier funding-rate trades and durable regional premiums. Tooling that computes net profit in real time across many venues — including regional ones — is the practical prerequisite for acting on this correctly.

About ArbiScreen

[ArbiScreen](#) is a real-time cryptocurrency arbitrage scanner covering 17 global and regional exchanges with five-second updates. It computes net profit after trading, withdrawal and network fees, tracks funding-rate opportunities across 11 venues, surfaces regional (geo) premiums for South Africa, Turkey, India and Nigeria, and shows spread age and withdrawal-network costs. Live scanner: app.arbiscreeen.com. Learn more at arbiscreeen.com.

References and Data Sources

- ArbiScreen. Real-time cross-exchange arbitrage data and net-profit methodology, 2026. <https://arbiscreeen.com/>
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- Perpetual-futures funding-rate documentation of major derivatives venues, 2026.